

Court File No. 08-CL-7841

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF INTERTAN CANADA LTD. AND
TOURMALET CORPORATION

APPLICANTS

**NOTICE OF MOTION
(Approval of Claims Process)**

The Applicants will make a Motion before the Honourable Mr. Justice Morawetz on July 29, 2009 at 10:00 a.m., or as soon after that time as the Motion can be heard at 330 University Avenue, Toronto, Ontario.

PROPOSED METHOD OF HEARING: The Motion is to be heard orally.

THE MOTION IS FOR AN ORDER:

1. That the time for service of this Notice of Motion and the Motion Record be abridged so that this Motion is properly returnable on July 29, 2009 and dispensing with any further service of the Notice of Motion and the Motion Record;
2. Approving the Ninth Report of the Monitor, dated July 24, 2009 (the "Ninth Report") and the activities of the Monitor as detailed therein;

3. Approving a process for the determination and resolution of claims filed with respect to the Applicants pursuant to the Order of this Honourable Court dated February 10, 2009 (the “Pre-Filing Claims” and the “Pre-Filing Claims Process Order”);

4. Approving a process for the calling, barring, determination and resolution of claims against the Applicants that arose on or following November 10, 2008, arising from or caused by the repudiation by an Applicant of any contract, lease or other agreement, whether written or oral, as part of these *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “CCAA”) proceedings, or caused by any other step of the Applicants taken as part of these CCAA proceedings (the “Restructuring Claims”);

5. Approving a process for the calling, barring, determination and resolution of any claims of any person against a director and/or officer of an Applicant which is indemnified by the Applicants pursuant to paragraph 23 of the Initial CCAA Order (as defined below) relating to the failure of the Applicants to make certain payments, which arose or arises or has been or may be sustained or incurred by any reason of or in relation to such director or officer’s capacity as a director and/or officer of an Applicant (the “D&O Claims”); and

6. Such further and other Relief as this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE

1. On November 10, 2008, the Applicants filed for and obtained protection from their creditors under the CCAA, pursuant to the Initial Order of Justice Morawetz, as subsequently amended on December 5, 2008 and extended from time to time (the “Initial CCAA Order”);

2. Pursuant to the Initial CCAA Order, Alvarez & Marsal Canada, ULC was appointed as monitor (“Monitor”) of the Applicants pursuant to the CCAA;

3. Under the Pre-Filing Claims Process Order, the bar date for creditors to advance Pre-Filing Claims was 5:00 p.m. (Toronto time) on March 16, 2009 (the “Pre-Filing Claims Bar Date”);

4. 566 Pre-Filing Claims were filed pursuant to the Pre-Filing Claims Process Order. Since the Pre-Filing Claims Bar Date the Monitor has been acting, together with the Applicants, to try and review and reconcile as many of the Pre-Filing Claims as possible;

5. On February 23, 2009, 4458729 Canada Inc. (the “Purchaser”) (a direct wholly-owned subsidiary of Bell Canada), the Applicant, InterTAN Canada Ltd. (“InterTAN”), Circuit City Stores West Coast, Inc., (“West Coast”), Ventoux International Inc. (“Ventoux”) and Bell Canada entered into an asset purchase agreement providing for, *inter alia*: (i) the sale of substantially all of the assets and operations of InterTAN to the Purchaser; (ii) the sale and/or license of certain trade-marks owned by West Coast and used in InterTAN’s business to the Purchaser; and (iii) the sale of all of the issued and outstanding shares of Circuit City Global Sourcing, Limited owned by Ventoux to the Purchaser (the “Asset Purchase Agreement”);

6. On March 9, 2009, this Honourable Court approved the Asset Purchase Agreement and made an Approval and Vesting Order and an Additional Approvals Order to facilitate the sale under the Asset Purchase Agreement (the “Sale Transaction”);

7. On June 29, 2009, the Honourable Justice Morawetz made an order (the “Closing Payments Order”), *inter alia*, expanding the role of the Monitor in the CCAA proceedings and making various directions with regard to the proceeds from the Sale Transaction (the “Sale Proceeds”);

8. The Sale Transaction closed at 12:01 a.m. on July 1, 2009;

9. In connection with the closing of the Sale Transaction and consistent with the Closing Payments Order, the amounts required to be paid after closing have all been paid and the

Monitor is presently holding the balance of the Sale Proceeds in trust pending distribution as further directed by the Court or contemplated by the Closing Payments Order;

10. Prior to proceeding with any distributions to creditors from the Sale Proceeds, the Applicants must establish a claims process (the "Claims Process") for the calling and barring of Restructuring Claims and D&O Claims (collectively the "Post-Filing Claims") and for the determination and resolution of the Post-Filing Claims and the Pre-Filing Claims.

11. The proposed Claims Process, developed in consultation with the Monitor and as outlined in the Ninth Report, includes, *inter alia*:

A. *Process for the Calling and Barring of Post-Filing Claims*

- (a) a procedure for calling for Post-Filing Claims from unknown potential creditors by advertising in the Globe and Mail (National Edition) and La Presse;
- (b) a procedure for notifying claimants with known Post-Filing Claims of the Claims Process by mailing proof of claim documents that include a specified claim amount (based on the books and records of the Applicants) ("Set Proofs of Claim");
- (c) a procedure for notifying claimants identified by the Applicants and the Monitor as having commenced litigation against an Applicant prior to November 10, 2008, but who did not receive notice of the Pre-Filing Claims process (the "Additional Pre-Filing Claimants"), of the Claims Process;
- (d) a procedure for providing notice of the Claims Process to persons employed with InterTAN from on or after November 10, 2008 until July 1, 2009 (excepting those who left their employment voluntarily) and government authorities, who based on the books and records of the Applicants appear not to have Post-Filing Claims;

- (e) the manner in which parties receiving Set Proofs of Claim may revise those Set Proofs of Claim and return them to the Monitor;
- (f) the manner in which Additional Pre-Filing Claimants may file a proof of claim;
- (g) the manner in which proofs of claim from unknown potential creditors are to be delivered to the Monitor;
- (h) a proposed Post-Filing Claims bar date of September 14, 2009;

B. Formal Claims Resolution Process (Applicable to both Pre-Filing Claims and Post-Filing Claims)

- (a) the manner in which proofs of claim are to be reviewed and determined by the Monitor, in consultation with the Applicants;
- (b) the process by which the Monitor shall deliver notices to all claimants who delivered proof of claim documents allowing, revising or disallowing their claims;
- (c) the process by which a claimant may dispute the notice provided by the Monitor in respect of its claim;
- (d) the appointment of a claims officer;
- (e) the manner in which the Monitor may address notices of dispute from claimants, including by referring the dispute to the claims officer; and
- (f) a process by which a creditor may appeal to the Court with respect to the determination of its claim by the claims officer.

12. The proposed Claims Process would allow the Applicants to identify the universe of Post-Filing Claims, and to provide a mechanism for the proper and consistent administration and resolution of both the Pre-Filing Claims and the Post-Filing Claims;

13. Rules 2.03, 3.02, and 37 of the Ontario *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended; and

14. Such further and other grounds as the lawyers may advise.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the Motion:

1. This Notice of Motion;
2. The Ninth Report of the Monitor, July 24, 2009;
3. Proposed Draft Order
4. Such further and other evidence as the lawyers may advise and this Honourable Court may permit.

July 24, 2009

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(MOTION RETURNABLE JULY 29, 2009)

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